GOVERNMENT OF INDIA
FINANCE
LOK SABHA

UNSTARRED QUESTION NO:2596
ANSWERED ON:18.08.2006
REDUCTION IN FERTILIZER SUBSIDY
Tripathy Shri Braja Kishore

Will the Minister of FINANCE be pleased to state:

(a) whether the Government has reduced subsidy on fertilizers in the current financial year ;

(b) if so, the details of the demand made by M/o Chemicals and Fertilizers and the details of funds sanctioned on account of subsidy ;

(c) whether the Government has set up a Committee of Secretaries to examine the subsidy on fertilizers; and

(b) if so, the progress made so far in this regard ?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI PAWAN KUMAR BANSAL)

(a) and (b) No, Sir. A net provision of Rs.17,252.90 Crore for fertilizer subsidy has been made in BE (2006-07) against the provision of Rs.16,253.90 Crore in BE (2005-06). During 2005-06, a net additionality of Rs.2,200 Crore was provided over the Budget Estimates through the Second and Third Batch of Supplementary Demands for Grants for that year, taking the total allocation for 2005-06 to Rs. 18,453.90 Crore. In the current financial year, additionality of Rs.1,500 Crore has been proposed for fertilizer subsidy through the First Batch of Supplementary Demands for Grants. Accordingly, against the total net provision of Rs.18,453.90 Crore for fertilizer subsidies for the year, 2005-06, Rs.18,752.90 Crore has already been provided in the year 2006-07.

(c) and (d) No, Sir. However, subsidy issues are discussed at various forums, including Committee of Secretaries,from time to time.